## Message Text

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PAGE 01 MANILA 04961 290951Z ACTION SS-25

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FM AMEMBASSY MANILA

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SECRET MANILA 4961

**EXDIS** 

MILITARY ADDRESSEES HANDLE AS SPECAT EXCLUSIVE

E. O. 11652: GDS TAGS: MARR, RP

SUBJECT: BASE NEGOTIATIONS: CALL UPON DEFENSE SECRETARY

- 1. SUMMARY: DURING FAREWELL CALL MARCH 29 UPON DEFENSE SECRETARY ENRILE, AMBASSADOR (A) CONFIRMED PHILIPPINE SIDE INTENDS TO PRESENT COUNTERPROPOSAL ON COMPENSATION, (B) REEMPHASIZED POLITICAL IMPOSSIBILITY OF MULTI-YEAR FUNDING FOR USG, AND (C) DREW OUT ENRILE ON NEXT STEPS TOWARD AGREEMENT.
- 2. ENRILE WAS UNEQUIVOCAL IN ACKNOWLEDGING THAT GOP WILL COME FORWARD AFTER THE APRIL 7 ELECTIONS WITH A COUNTERPROPOSAL TO THAT FOR COMPENSATION OFFERED BY US. AMBASSADOR RESTATED US POSITION AGAINST A MULTI-YEAR COMPENSATION COMMITMENT (AS OPPOSED TO A GOOD FAITH INDICATION) EMPHASIZING THE CATEGORICAL IMPOSSIBILITY OF OBTAINING CONGRESSIONAL SECRET

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AGREEMENT. ENRILE REPLIED THAT GOP WOULD PREFER TO PROPOSE WHAT IT CONSIDERS POLITICALLY NECESSARY AND HAVE IT ACCEPTED BY THE U.S. EXECUTIVE EVEN THOUGH IT WERE REJECTED BY THE U.S. CONGRESS. BOTH SIDES HAVE A POLITICAL PROBLEM, ENRILE CONTINUED, BUT FOR THE GOP A MULTI-YEAR BASES AGREEMENT WITHOUT MULTI-YEAR COMPENSATION WOULD BE IMPOSSIBLE TO EXPLAIN TO THE AVERAGE FILIPINO AND WOULD

## WEAKEN PRESIDENT MARCOS POLITICALLY.

- 3. THE AMBASSADOR INQUIRED HOW ENRILE ENVISAGED FURTHER MOVEMENT TOWARD REACHING AGREEMENT ON THE BASES. NOTING THAT PRESIDENT MARCOS AND HE HAVE NO REPEAT NO INTENTION OF IMPEDING U.S. USE OR HAMPERING U.S. OPERATIONS OR ACCESS, ENRILE SAID THAT ANY REGULATIONS ISSUED BY A PHILIPPINE BASE COMMANDER WOULD BE IN CONSULTATION WITH THE U.S. COMMANDER, AND SUBMITTED FOR CLEARANCE TO THE DEPARTMENT OF DEFENSE. THUS THERE WOULD BE TWO CHECKS ON ANY EXCESS OF ZEAL ON THE PART OF A PHILIPPINE BASE COMMANDER. WHEN THE AMBASSADOR SOUGHT TO DEFINE THE EXACT FORM OF CONSULTATION ENRILE HAD IN MIND, THE LATTER INDICATED THAT COULD BE WORKED OUT IN DETAIL WITHOUT DIFFICULTY.
- 4. MORE GENERALLY, ENRILE SAID THAT ONCE BASES HAVE
  BEEN RELINQUISHED, THE GOP CAN AGREE TO CERTAIN AREAS
  BEING RETAINED FOR EXCLUSIVE U.S. USE. THIS APPROACH, HE
  SAID, RECOGNIZES THE SOVEREIGN RIGHT OF THE HOST COUNTRY
  TO GRANT SUCH USE. PROCEDURALLY, ENRILE SAID, HE ENVISAGES
  THAT THE NEXT STEP WOULD BE A BROAD DOCUMENT TO BE FOLLOWED
  BY A NUMBER OF INDIVIDUAL AGREEMENTS DEALING WITH SEPARATE
  AREAS SUCH AS SUBIC WATERS, GRANDE ISLAND, WATERSHED (OR
  PERHAPS ALL THREE TOGETHER), CLARK, JOHN HAY, PHILIPPINE
  BASE COMMANDER, ETC. THESE IMPLEMENTING AGREEMENTS
  COULD BE WORKED OUT US-RP MILITARY TO MILITARY, OR US
  SECRET

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EMBASSY TO DEPARTMENT OF FOREING AFFAIRS "WHATEVER WE AGREE UPON."

- 5. SPEAKING ABOUT JOHN HAY, ENRILE QUOTED MARCOS TO THE EFFECT THAT THE GOP WOULD RECOVER THE PROPERTY AND LEASE IT BACK IN CONSIDERATION OF IMPROVEMENTS AND CONTINUING PHILIPPINE USE. LATER ENRILE UNDERLINED THAT JOHN HAY IS A "SEPARATE PROBLEM ALTOGETHER" WHICH THE GOP WOULD REACQUIRE AND THEN LEASE BACK UNDER TERMS PROVIDING FOR COMPENSATION OF FIVE PESOS PLUS U.S. AGREEMENT TO SPEND SO MUCH AND TO PROVIDE FOR PHILIPPINE USE ON AN EQUAL BASIS.
- 6. IN RESPONSE TO QUESTIONS, ENRILE SAID THAT PRELIMINARY DISCUSSIONS, FOR EXAMPLE SUBIC BAY, WOULD BE AGREEABLE IN AN US-RP NAVY INFORMAL GROUP. AS TO GRANDE ISLAND, ENRILE SAID GOP CAN LET U.S.HAVE PRESENT FACILITIES UNDER ARRANGEMENTS JUST LIKE CROW VALLEY RANGE. WHEN THE AMBASSADOR INQUIRED IF THE GRANDE ISLAND RECREATIONAL FACILITIES MIGHT BE HANDLED ON THE SAME BASIS AS PROPOSED FOR JOHN HAY, ENRILE REPLIED, "WE CAN WORK IT OUT."
- 7. COMMENT: ENRILE REMAINED QUITE INSISTENT UPON

SEPARATING OUT THE MORE IMPORTANT ITEMS FOR SEPARATE TREATMENT, ARGUING THAT IT WOULD NOT BE PRACTICAL TO LUMP EVERYTHING INTO A SINGLE PACKAGE. WHILE APPARENTLY ASSUMING THAT A BROAD GENERAL UNDERSTANDING WOULD PRECEDE THE SEPARATE SPECIFIC IMPLEMENTING AGREEMENTS, HE DID NOT RULE OUT THE POSSIBILITY THAT THE GENERAL AND THE SPECIFIC MIGHT EVOLVE CONCURRENTLY IN SOME FORM OF INTERACTIVE PROCESS.

8. TYPICALLY WIDE-RANGING AND IMPRECISE, ENRILE NONE-THELESS CONVEYED A NOTABLE DEGREE OF FLEXIBILITY AND SPIRIT OF CORDIALITY CONCERNING THE CURRENT BASE NEGOTIATIONS. THIS IS MIDLY ENCOURAGING AND ALSO PROMISING TO THE EXTENT THAT IT REFLECTS THE ADVICE PRESIDENT MARCOS MAY BE RECEIVING SECRET

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FROM HIS DEPARTMENT OF DEFENSE AT THIS IMPORTANT STAGE-OR VICE VERSA.

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